



TONEY ANAYA
GOVERNOR

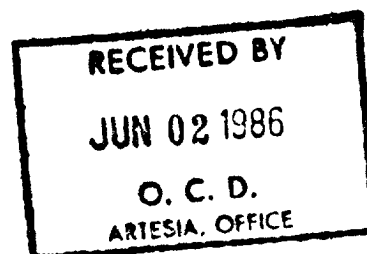
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 27, 1986



1935 - 1985

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Exxon Company, USA
P. O. Box 1600
Midland, Texas 99702-1600

Attention: D. L. Clemmer

Re: Surface Gas Commingling
Antelope Sink Area

Dear Sir;

Reference is made to your request of May 14, 1986 to surface commingle the gas production from five state and federal lease gas wells located in the Antelope Sink Area. It is our understanding that the gas production from each well will be metered on location, the commingled stream will be metered at the central facility and that condensate production will be separated, stored, and sold on each lease. It is also our understanding that additional separating and storage equipment shall be located at the off-lease central gathering facility and that any additional condensate separated at this facility will be allocated back to the individual wells based on production tests.

You are therefore authorized to surface commingle the gas production from the following five wells after separately metering the gas and condensate production from each well:

| <u>Well</u> | <u>Field</u> | <u>Location</u> |
|----------------------|------------------------|-----------------------|
| ✓ NM "DB" St. #1-F | Hoag Tank-Morrow | Sec. 7, T-19S, R-24E |
| ✓ NM "DE" St. #1-C | Antelope Sink Up. Penn | Sec. 19, T-19S, R-24E |
| ✓ NM "ES" St. #1-O | Hoag Tank-Wolfcamp | Sec. 7, T-19S, R-24E |
| ✓ Altwein Fed Com #1 | Antelope Sink-Cisco | Sec. 12, T-19S, R-23E |
| Altwein B Fed Com #1 | Antelope Sink-Cisco | Sec. 12, T-19S, R-23E |

Any additional condensate production separated at the central gathering facility shall be as accurately as possible allocated back to the individual wells.